

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, April 25, 2019**

Board members in attendance: Russell R. Ferreira, Chairman; Ellen K. Philbin, Vice Chairman; Craig B. O'Malley; Jennifer P. Petit and Paul J. Slivinski

Staff members in attendance: Francis St. Germaine who recorded the minutes of the meeting

Others in attendance: Nicholas Poser, Legal Counsel for the Falmouth Retirement Board

At approximately 2:00 p.m., with a quorum being present, Chairman Ferreira called the meeting to order, and the Town Treasurer, Patricia O'Connell, joined the meeting. She reviewed for the board members the monthly reconciliation of the cash account for the month of February. Through the end of February, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,241,737.07 and disbursements in the amount of \$1,123,960.13. She noted that the fund balance in this cash account is \$52,261.90. Also, it was noted that the check sequence for the month of February began with check #9238 and ended with check #9285. There are no checks in this sequence that have not been accounted for through the month of February. After some discussion, Ms. O'Connell exited the board meeting and the board members entertained a motion to accept the report from the Office of the Treasurer.

Ms. Philbin moved to accept the report from the Office of the Treasurer. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the meeting minutes of the open session meeting that was held on March 28, 2019. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on March 28, 2019.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on March 28, 2019. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the payments of the following warrants:

Warrant #9/2019	\$984,157.33	Warrant #10/2019	\$ 6,866.40
Warrant #11/2019	\$ 7,116.40	Warrant #12/2019	\$ 79,856.39

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #9/2019 through #12/2019.

Ms. Philbin moved to approve the payments, as noted, of warrants #9/2019 through #12/2019. Ms. Petit seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the payments of the following investment fees:

- Wainwright Investment Counsel, 1<sup>st</sup> QTR 2019 consultant fee \$ 27,500.00
- People's United Bank, February 2019 custodial fee \$ 4,685.39
- RhumbLine Advisers (Growth), 1<sup>st</sup> QTR 2019 management fee \$ 826.00
- RhumbLine Advisers (S&P 400), 1<sup>st</sup> QTR 2019 management fee \$ 189.00
- RhumbLine Advisers (Value), 1<sup>st</sup> QTR 2019 management fee \$ 946.00
- RhumbLine Advisers (S&P 600), 1<sup>st</sup> QTR 2019 management fee \$ 187.00
- Earnest Partners, 1<sup>st</sup> QTR 2019 management fee \$ 21,919.30

After some discussion, the board members entertained a motion to approve the payments, as noted, of the above-mentioned investment fees.

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned investment fees. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 4/1/2019 in the amount of \$12,031.69

After some discussion, the board members entertained a motion to approve the payment, as noted, of the above-mentioned capital call.

Mr. O'Malley moved to approve the payment, as noted, of the above-mentioned capital call. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the following cash distributions from investment managers:

- Hamilton Lane Secondary Fund IV, a distribution received on 3/28/2019 in the amount of \$156,536.00
- Lexington Capital Partners Fund V, a distribution received on 3/28/2019 in the amount of \$2,015.00
- Lexington Capital Partners Fund VII, a distribution received on 3/28/2019 in the amount of \$44,584.00
- Mesirow Financial Partnership Fund IV, a distribution received on 3/29/2019 in the amount of \$37,500.00

The board members then considered the requests of the following former or current members of the Falmouth Retirement System for a return or transfer of their accumulated deductions:



- Brian R. Dugan; amount of rollover is \$13,970.67; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this rollover, the Falmouth Retirement System will accept 4 years and 4 months of 3(8)(c) liability on a 12-month basis*)
- Nancy G. Leger; amount of transfer is \$5,031.68; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 years and 1 month of 3(8)(c) liability on a 12-month basis*)
- Anna C. Noble; amount of transfer is \$34,705.15; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 years and 2 months of 3(8)(c) liability on a 12-month basis*)
- Kelly A. DaSilva-Mafra; amount of refund is \$8,845.88; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 4 years and 4 months of 3(8)(c) liability on a 12-month basis*)

After some discussion, the board members entertained a motion to approve, as noted, the requests of the above-mentioned former or current members of the Falmouth Retirement System for a return or transfer of their accumulated deductions.

Ms. Philbin moved to approve, as noted, the requests of the above-mentioned former or current members of the Falmouth Retirement System for a return or transfer of their accumulated deductions. Mr. O'Malley seconded the motion, all board members present voted in the affirmative.

Next, the board members noted the following new members of the Falmouth Retirement System:

- Ashley A. Holman; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/30/2018, 9% + 2%
- Thomas P. Ward; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 3/5/2019, 9% + 2%
- Scott G. Overton; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 3/11/2019, 9% + 2%
- Robert J. Tomaino; Communications Officer, Town of Falmouth, Consolidated Communications Department, Group One; DOM 4/1/2019, 9% + 2%

The board members then considered the following requests to purchase prior service:

- Patricia A. Martin; Bus Aide, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$246.23 (*with this service purchase, the Falmouth Retirement System will accept 1 month of 3(8)(c) liability on a 12-month basis*)



- Ashley A. Holman; Food Service Worker, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,485.41 *(with this service purchase, the Falmouth Retirement System will accept 6 months of 3(8)(c) liability on a 12-month basis)*

After some discussion, the board members entertained a motion to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Mr. O'Malley moved to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following first reports of injury:

- Bridget M. Parece; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; while walking to the bus, employee was injured. Date of Injury 2/14/2019
- Michael D. Darmon; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; while picking up a set of keys, employee was injured. Date of Injury 3/6/2019
- Victoria A. Rose; Town Accountant, Town of Falmouth, Finance Department, Group One; while walking on the uneven sidewalk, employee was injured. Date of Injury 3/18/2019

Then, Michael Dwyer of Wainwright Investment Counsel joined the meeting. To start, Mr. Dwyer distributed to the board members the performance summary report for the month of February, and he reviewed the plan results. Through the end of February, the plan's estimated market value was approximately \$142.5 million. Year-to-date, the plan is up 7.94% versus a total plan policy that is up 7.68%. Compared to its policy benchmark, the domestic equity sector (up 12.88%) is a bit behind but has rebounded nicely since the first of the year. At the moment, LMCG Mid Cap Core and RhumbLine S&P600 seem to be the strength of this sector. The international equity sector (up 10.93%) is ahead of its sector benchmark (up 9.53%) with both HGK Trinity and Dimensional Fund Advisors providing a better performance than their benchmark. The domestic fixed income strategy (up 1.67%) is on par with its sector benchmark (up 1.63%) which is to be expected as these investments are indexed. The year-to-date performance of the real estate sector is up 5.33% versus a benchmark that is 0.00%. At the moment, Principal, Dimensional Fund Advisors, and P.R.I.T. are the largest real estate investments within the portfolio and Dimensional Fund Advisors is the only real estate investment that is well ahead of its benchmark. Due to the nature of the investments within the private equity sector which are stated with a lag, this sector is estimated to be up 2.24% versus a benchmark that is 0.00%. At this time, the Lexington Capital Fund VII and the Hamilton Lane Secondary Fund IV are the two largest investments for the private equity sector within this portfolio. Both investments appear to have positive returns. For the year, the P.R.I.T. Absolute Return Fund is up 3.03% versus a benchmark that is up 3.70%. Lastly, the cash balance is approximately \$2.2 million.



Wainwright Investment Counsel noted that “this has been a decent month for performance and the indications are that the markets have started to relax a bit.”

Mr. Dwyer then discussed some options with regards to our proposed investment in the two Clarion Partners real estate funds. Since Clarion Partners has decided to withdraw from the transactions, Wainwright Investment Counsel suggests that the board members consider funding a new \$5 million investment with one of the other real estate R.F.P. finalist, TA Realty. The recommendation is to gradually draw down funds from D.F.A. Global Real Estate to fund a new investment with TA Realty and the previously agreed upon investment with TerraCap Management. After some discussion, the board members entertained a motion to fund a new \$5 million investment with TA Realty using funds gradually drawn down from their existing investment in the D.F.A. Global Real Estate fund.

Ms. Philbin moved to fund a new \$5 million investment with TA Realty using funds gradually drawn down from their existing investment in the D.F.A. Global Real Estate fund. Mr. Slivinski seconded the motion, all board members present voted in the affirmative.

The Director then noted for the board members that additional funds would be needed to cover the retiree payroll and operational expenses through the end of June. After some discussion and at the suggestion of Mr. Dwyer, the board members entertained a motion to liquidate \$2 million from the D.F.A. Global Real Estate fund to the cash account with People’s United Bank.

Mr. Slivinski moved to liquidate \$2 million from the D.F.A. Global Real Estate fund to the cash account with People’s United Bank. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

After some additional discussion with the board members, Mr. Dwyer exited the board meeting.

Next, the Director reminded the board members that their completed Statement of Financial Interests were due to P.E.R.A.C. by May 1<sup>st</sup>.

Then, the Director noted for the board members PERAC memo #05/2019 regarding the FY 2020 C.O.L.A. increase. After some discussion, the board members entertained a motion to send to the Board of Selectmen a letter notifying them of the Falmouth Retirement Board’s intention to consider, at the June board meeting, increasing to 3.0% the FY 2020 cost-of-living adjustment on a retirement allowance.

Ms. Philbin moved to send to the Board of Selectmen a letter notifying them of the Falmouth Retirement Board’s intention to consider, at the June board meeting, increasing to 3.0% the FY 2020 cost-of-living adjustment on a retirement allowance. Mr. O’Malley seconded the motion, all board members present voted in the affirmative.

The Director then reminded the board members of the upcoming spring M.A.C.R.S. conference and seminar to be held in Hyannis, MA from June 1, 2019 through June 5, 2019. It was noted that, at this time, a draft agenda was available, and that certain sessions have been approved by

P.E.R.A.C. for board member C.E.U. training credits. After some discussion, the board members entertained a motion to approve the associated conference and seminar fees with travel for the board members as well as the two staff members to attend the spring M.A.C.R.S. conference.

Mr. O'Malley moved to approve the associated conference and seminar fees with travel for the board members as well as the two staff members to attend the spring M.A.C.R.S. conference. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Next, the Director noted that the Falmouth Retirement System will have a table at the annual Town of Falmouth Health & Benefits Fair which is to be held on April 30<sup>th</sup> at the recreation center.

Then, Attorney Poser provided the board members with an update in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677. He noted that the written closing argument had been submitted on behalf of the Falmouth Retirement Board, and now, we are awaiting the decision from the magistrate.

Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open session meeting.

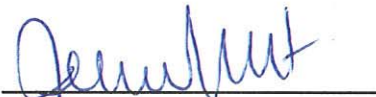
Mr. O'Malley moved to adjourn the open session meeting. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

At approximately 2:40 p.m., the board members concluded the open session meeting.


The next scheduled board meeting will begin at 2:00 p.m. on Thursday, May 23, 2019 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

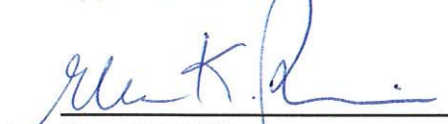
ATTEST:


  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Petit  
Ex-Officio Member

  
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Paul J. Slivinski  
Appointed Member

  
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Craig B. O'Malley  
Elected Member

  
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Ellen K. Philbin  
Vice Chairman, Fifth Member

  
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Francis X. St. Germaine III  
Director